

**ENVIRONMENTAL SERVICES
SPB05-894P-Q**

1. PARTIES

THIS CONTRACT, is entered into by and between the State of Montana, Department of Administration, State Procurement Bureau, (hereinafter referred to as "the State"), whose address and phone number are Room 165 Mitchell Building, 125 North Roberts, PO Box 200135, Helena MT 59620-0135, (406) 444-2575 and **Houston Engineering, Inc.**, (hereinafter referred to as the "Contractor"), whose nine digit Federal ID Number, address and phone number are 45-0314557, 6901 East Fish Lake Road, Suite 140, maple Grove, MN 55369, phone (763) 493-4522 and fax (763) 493-5572.

THE PARTIES AGREE AS FOLLOWS:

2. PURPOSE

The purpose of this term contract is to establish a list of Environmental Service Providers in several service areas. All qualified offerors will be assembled into a multiple contractor term contract for use by state agencies and other public procurement units. The State makes no guarantee of use by any agency-authorized access to this term contract. However, through data conveyed by the Montana Department of Environmental Quality, Montana Department of Natural Resources and Conservation, and Montana Fish, Wildlife and Parks, it is anticipated that this term contract should access approximately 2.5 million dollars or more annually.

3. EFFECTIVE DATE, DURATION, AND RENEWAL

3.1 Contract Term. This contract shall take effect upon execution of all signatures, and terminate on June 30, 2007, unless terminated earlier in accordance with the terms of this contract. (Mont. Code Ann. § 18-4-313.)

3.2 Contract Renewal. This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State, for a period not to exceed a total of four additional years. This renewal is dependent upon legislative appropriations.

3.3 Addition of Analytical Laboratory Contractor. Proposals will be accepted between April 1 and May 1 of each calendar year from current firms requesting review of their qualifications to perform Analytical Laboratory Services as originally requested under RFP SPB05-894P. The state will evaluate each proposal received in the exact manner in which the original proposals for other categories were evaluated. If proposal passes the requirements as evaluated to perform Analytical Lab Services, the state will update that firms term contract to include the Analytical Lab Services category contingent on said firm being in good standing otherwise.

4. NON-EXCLUSIVE CONTRACT

The intent of this contract is to provide state agencies with an expedited means of procuring supplies and/or services. This contract is for the convenience of state agencies and is considered by the State Procurement Bureau to be a "Non-exclusive" use contract. Therefore, agencies may obtain this product/service from sources other than the contract holder(s) as long as they comply with Title 18, MCA, and their delegation agreement. The State Procurement Bureau does not guarantee any usage.

5. COOPERATIVE PURCHASING

Under Montana law, public procurement units, as defined in section 18-4-401, MCA, have the option of cooperatively purchasing with the State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to the State Procurement Bureau prior to the

award of this contract, the prices, terms, and conditions of this contract will be offered to these public procurement units.

6. TERM CONTRACT REPORTING

Term contract holder(s) shall furnish annual reports of term contract usage. Each report shall contain complete information on all public procurement units utilizing this term contract. Minimum information required to be included in usage reports: name of the agency or governmental entity who contacted you regarding a potential project; project title; agency contact person; if the project was not successfully negotiated, state the reason; number and title of contracts received; total dollar amounts for contracts received; the names of your company personnel involved in the project; and project status as of usage report date. The report for this term contract will be due on July 20th of each year.

Reported volumes and dollar totals may be checked by the State Procurement Bureau against State records for verification. Failure to provide timely or accurate reports is justification for cancellation of the contract and/or justification for removal from consideration for award of contracts by the State.

7. COST/PRICE ADJUSTMENTS

7.1 Cost Increase by Mutual Agreement. After the initial term of the contract, each renewal term may be subject to a cost increase by mutual agreement. Contractor must provide written, verifiable justification for any cost adjustments they request during each renewal period. Contractor shall provide its cost adjustments in both written and electronic format.

7.2 Differing Site Conditions. If, during the term of this contract, circumstances or conditions are materially different than set out in the specifications, the Contractor may be entitled to an equitable adjustment in the contract price. The Contractor shall immediately cease work and notify, in writing, the State of any such conditions necessitating an adjustment as soon as they are suspected and prior to the changed conditions affecting the performance of this contract. Any adjustment shall be agreed upon in writing by both parties to the contract.

7.3 Cost/Price Adjustment. All requests for cost/price adjustment must be submitted between April 1st and April 30th along with written justification. Requests received after April 30th will not be considered unless written approval from the SPB Contracts Officer is given to submit at a later date. In no event will cost/price adjustments be allowed beyond May 15th. All requests that are approved will be incorporated by contract amendment and made effective July 1st of the next approved renewal period.

8. SERVICES AND/OR SUPPLIES

8.1 Service Categories. Contractor agrees to provide to the State the following services:

TMDL Targets. The TMDL program (within DEQ) will often need additional data in order to develop TMDL targets. Targets are quantitative water quality goals or “endpoints” that represent all the applicable narrative or numeric water quality standards. These targets, when achieved will represent full beneficial use support. This may require additional monitoring to determine reference condition when TMDL targets are based on narrative criteria or designated uses (water quality standards). Targets may be based on numeric water quality criteria, pollutant concentrations or loads, habitat or geomorphic measures, and/or biological criteria or populations. Targets are also used to determine the existing Water Quality Impairment Status (WQIS) of the streams on the 303(d) list. In most cases, the contractor will be required to write a report, which includes a recommendation and justification for one or more TMDL targets and also compare those targets to the existing conditions to determine WQIS. Communication with the State is crucial while deriving preliminary targets to ensure TMDL consistency across Montana.

TMDL Source Assessment/Delineation. The TMDL program (within DEQ) will often need additional data in order to link water quality impairments to their sources, or to allocate sources of pollutants. This may require data compilation, investigative monitoring and statistical analysis within a specified watershed, which

can be used for source allocation, or the linkage of water quality impairments to causes and sources of impairment (e.g., sediment or land use practices). Quantitative source assessments may be conducted using field-based monitoring and/or interpretation and analysis of aerial photos, digital images, or GIS coverages depending upon impairment sources and available information. In most cases, contractors will be required to write a report that identifies what the major causes of impairment are and where the major sources of pollutants are located. DEQ will also need to have all pollution/pollutant sources quantified. The quantification of these loads will assist in both source load allocations and the total maximum daily loads. In addition, data collected during source assessments must be entered into an approved database structure or format and linkage to the National Hydrography Dataset (NHD) streams layer may be requested. The department may also request a cost/benefit analysis for implementing BMPs, which can be used for developing TMDL source allocations. Communication with the State is crucial while deriving assessing sources of pollutants to ensure TMDL consistency across Montana.

TMDL Load Allocations. The TMDL program (within DEQ) will often need additional data in order to develop load allocations in conjunction with the source assessment/delineation. Load allocations are the portion of a receiving water's loading capacity that is attributed to existing or future point or non-point sources of pollution or to natural background sources. Load allocations are best estimates of the loading, which can range from reasonably accurate estimates to gross allotments. Allocation can be expressed as a percent reduction that results in a maximum allowable load or as performance-based, which demonstrates how BMPs will be applied and how they will reduce the current loads. Communication with the State is crucial while deriving preliminary load allocations to ensure TMDL consistency across Montana.

Total Maximum Daily Loads. The TMDL program (within DEQ) will often need additional data in order to develop Total Maximum Daily Loads (TMDLs). A TMDL is defined as the sum of the wasteload allocations to point sources, load allocations to non-point sources and natural background sources with a margin of safety considering seasonal variation. TMDLS can be expresses in terms of mass per time, toxicity, or other appropriate measures that relate to the State's Water Quality Standards. Communication with the State is crucial while deriving preliminary TMDLs to ensure consistency across Montana.

Geographic Information Systems (GIS) Services. The State, and in particular DEQ, will need assessments that characterize a watershed and identify and quantify all probable sources of pollutants. GIS maps will be required for every waterbody that is assessed. Thematic maps may include, but are not limited to: land ownership, land use, topography, hydrology, soils, precipitation, and/or endangered species distribution. In addition, DEQ may request that GIS applications be used to facilitate the interpretation and analysis of digital images and/or other georeferenced data.

Water Quality Modeling. The State, and in particular DEQ, uses contracted services in the development and/or application of watershed and water quality modeling tools and techniques in the development of TMDLs. Models may be used to assist in defining TMDL loading allocations, performing existing/potential conditions analysis, watershed scenario analysis, and/or standards attainment analysis. The types of models that may be employed include dynamic watershed loading models (i.e. SWAT, HSPF), water quality fate and transport models (i.e. QUAL2E, QUAL2K), stream temperature and/or shade models (i.e. SSTemp, HeatSource, Shadow), and multi-dimensional lake/reservoir models (i.e. CE QUAL W2). In addition, simpler modeling tools and techniques such as GIS-based Risk Assessment Modeling may be employed or developed based on project needs and resources. The DEQ may also seek assistance in the identification and/or development of simple modeling tools that may be implemented at the desktop that facilitate quick scenario applications. These tools should be able to focus on specific water quality issues such as sediment, nutrients, salinity, etc. and be tailored to the various (eco) regions across the state.

DEQ Electronic Data / Information Technical Assistance. The DEQ needs to be able to easily transmit water quality data into the modernized STORET database and make it more accessible to data consumers and the public. To accomplish this, the DEQ seeks to obtain technical products, services, and support, as needed, to migrate datasets to production database system(s) and improve data flow and data quality from a variety of sources into STORET. These tasks may include, but are not limited to solutions in commonly available software products to generate data that conforms to STORET and Oracle database requirements. Specific service areas sought include, but are not limited to: technical support for data

conversion, reformatting, and/or normalization of existing historic and transformed datasets; automated data validation routines or procedures designed to support specific data quality objectives; technical solutions for data entry, data capture, and data reporting, maintenance, upgrades or enhancements to existing software interfaces; technical support in the implementation of STORET; acquisition of STORET-compatible data deliverables.

8.2 Reuse of Documents. When the projects dictate a design or engineered approach, the State agrees that it will not apply the Contractor's designs to any other projects.

9. ENGINEERING ACCESS

All of the firms selected may need to have access to engineering services depending on the nature of the project. The contractor(s) will be expected to use their own best judgment as to whether engineering services are needed for a given project. However, traditional engineering methodologies are not the emphasis of this RFP. It is a violation of State Statute to practice engineering or land surveying without a license.

10. PROJECT SELECTION

10.1 Project Identification. The State will be responsible for identifying projects, contacting landowners and securing necessary permission/cooperation agreements, selecting a contractor, writing grant applications and approving project payments.

10.2 Hazardous Materials. The State will not initiate projects where it is known that hazardous materials are present. If there is an indication of a potential of hazardous materials, then the State will do testing prior to contacting the contractor. However, there is always the possibility of unforeseen problems resulting in the stoppage of a project.

10.3 Meetings. The selected contractor may be required to meet with State personnel at the project site to conduct a site evaluation, discuss project issues and begin the negotiation process on project feasibility, conceptual design and costs for each project.

10.4 Approach Expectations. In the case of restoration activities, the agency will identify the preferred techniques. The determination made by the State may define which contractor(s) are contacted for project initiation. The State is always open to new and innovative approaches that accomplish project goals.

11. SELECTING A CONTRACTOR

The State may select a term contract holder from the Environmental Services contract home page as provided under the state's website address

<http://www.discoveringmontana.com/doa/gsd/procurement/TermContracts/environservices/Default.asp>, taking into consideration such things as the contractor's area of expertise, requirements and location of the project, the contractor's availability and access to resources necessary to efficiently and effectively complete the project, demonstrated excellent past performance on State and public projects, identified subcontractors and total project cost.

General. Ordering agencies shall use the procedures in this section when ordering services priced at hourly rates as established by each Term Contract (TC). The applicable service categories are identified in each TC along with the contractor's price lists.

Request for Quotation (RFQ) procedures. The ordering agency must provide an RFQ, which includes the statement of work and limited, but specific evaluation criteria (e.g., experience and past performance), to TC contractors that offer services that will meet the agency's needs. The RFQ may be posted to the agency's state website to expedite responses.

Statement of Work (SOWs). All SOW's shall include at a minimum a detailed description of the work to be performed, location of work, period of performance, deliverable schedule, applicable performance standards and any special requirements (e.g., security clearances, travel, special knowledge).

- (1) Ordering agency may select a contractor from the appropriate service category and directly negotiate a mutually acceptable project based on a sudden and unexpected happening or unforeseen occurrence or condition, which requires immediate action. (Exigency).
- (2) Ordering agency may place orders at or below the \$5,000 threshold with any TC contractor that can meet the agency's needs. The ordering agency should attempt to distribute orders among all service category contractors.
- (3) For orders estimated to exceed \$5,000 but less than \$25,000.
 - (i) The ordering agency shall develop a statement of work.
 - (ii) The ordering agency shall provide the RFQ (including the statement of work and evaluation criteria) to at least three TC contractors that offer services that will meet the agency's needs.
 - (iii) The ordering agency shall request that contractors submit firm-fixed prices to perform the services identified in the statement of work.
- (4) For orders estimated to exceed \$25,000. In addition to meeting the requirements of (3) above, the ordering agency shall:
 - (i) Provide the RFQ (including the statement of work and the evaluation criteria) to a minimum of six service category TC contractors (if category has less than 6, all contractors will be offered an RFQ) with a 50% replacement factor for each subsequent request for quote in the same service category.

Evaluation. The ordering agency shall evaluate all responses received using the evaluation criteria provided in the RFQ to each TC contractor. The ordering agency is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable. The agency will place the order with the contractor that represents the best value. After award, ordering agencies will provide timely notification to unsuccessful TC contractors. If an unsuccessful TC contractor requests information on a task order award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided.

Minimum documentation. The ordering agency shall document:

- (1) The TC contractors considered, noting the contractor from which the service was purchased.
- (2) A description of the service purchased.
- (3) The amount paid.
- (4) The evaluation methodology used in selecting the contractor to receive the order.
- (5) The rationale for making the selection.
- (6) Determination of price fair and reasonableness.

Agency project task orders will be utilized to finalize the project. Only written addenda will be used for adjustments of the task orders and must be signed by both parties. All task orders must contain signatures from both parties and appropriate agency legal review as directed in their procurement policy.

The State will monitor contractor selection by using the information provided in the annual TC usage reports.

Contractor's who fail to respond to three RFQ opportunities within a one-year period between July 1st and June 30th may be removed from the qualified list of contractors.

12. CONTRACTOR RESPONSIBILITIES

12.1 Supervision and Implementation. The selected contractor for an individual project will be responsible for the supervision and implementation of the approach and will be responsible for oversight of

work performed by all subcontractors. In most cases the contractor will provide and be responsible for all the necessary equipment, materials, supplies and personnel necessary for proper execution of the work. However, the State reserves the right to hire subcontractors (equipment and/or labor) if it will provide a cost savings to the State. The selected contractor will also be responsible for clean up of the sites if necessary and must have the sites inspected by the State immediately prior to completion.

12.2 On-Site Requirements. When a contractor is contacted by the State to discuss a project, the State and the contractor may visit the job site if deemed necessary by the Project Manager, to become familiar with conditions relating to the project and the labor requirements. The State will provide a detailed scope of work for the project and request the contractor supply the State with a response to project approach, cost, timeframe and any other information deemed necessary by the State to make a selection or complete a contract negotiation.

In the cases of Restoration or On-The-Ground Activities, the contractor shall adequately protect the work, adjacent property, and the public in all phases of the work. They shall be responsible for all damages or injury due to their action or neglect.

The contractor shall maintain access to all phases of the contract pending inspection by the State, the landowner, or their representative. All interim or final products funded by the contract will become the property of the State or Cooperative Purchaser upon payment for said products.

All work rejected as unsatisfactory shall be corrected prior to final inspection and acceptance. The contractor shall respond within seven calendar days after notice of observed defects has been given and shall proceed to immediately remedy these defects. Should the contractor fail to respond to the notice or not remedy the defects, the State may have the work corrected at the expense of the contractor.

12.3 Clean Up (when project tasks require). The contractor shall:

- Keep the premises free from debris and accumulation of waste;
- Clean up any oil or fuel spills;
- Keep machinery clean and free of weeds;
- Remove all construction equipment, tools and excess materials; and
- Perform finishing site preparation to limit the spread of noxious weeds before final payment by the State.

12.4 Applicable Laws. The contractor shall keep informed of, and shall comply with all applicable laws, ordinances, rules, regulations and orders of the City, County, State, Federal or public bodies having jurisdiction affecting any work to be done to provide the services required. The contractor shall provide all necessary safeguards for safety and protection, as set forth by the United States Department of Labor, Occupational Safety and Health Administration.

12.5 Cooperation. The contractor shall work closely with the States analytical consultants, (i.e. environmental laboratories and taxonomists) to develop the desired products.

12.6 Work Acceptance. The contractor is responsible for project oversight as needed. The State may also periodically provide personnel for administrative oversight from the initiation of the contract through project completion. All work will be inspected by the State or designated liaison prior to approval of any contract payments. All work rejected as unsatisfactory shall be corrected prior to final inspection and acceptance. Contractor shall respond within seven calendar days after notice of defects has been given by the State and proceed to immediately remedy all defects.

12.7 Records. The contractor will supply the State with documentation, when requested, of methods used throughout project implementation. Contractor will maintain records for themselves and all subcontractors of supplies, materials, equipment and labor hours expended.

12.8 Communication. Remoteness of project sites may necessitate that the contractor have some form of field communication such as a cellular phone. This communication is necessary to enable the State to respond to public concerns related to the project, accidents, inspections, or other project issues that require immediate feedback. In addition, the State or Cooperative Purchaser may require scheduled communication at agreed upon intervals. The communication schedule will be dependent upon the project circumstances and requirements of the contracting agency. In the case when a communication schedule is included in the Scope of Work, the schedule will commence when the contractor initiates the project.

12.9 Change Of Staffing. Since qualifications of personnel were key in determining which offerors were selected to be on this TC, a written notification of any changes in key personnel must be made to the state agency, prior to entering into negotiations to perform any specific work scope. Contractor shall replace such employee(s) at its own expense with an employee of substantially equal abilities and qualifications without additional cost to the agency. If these staffing changes cause the contractor to no longer meet the qualifications stated herein, that firm will be removed from the service area of this TC. Failure to notify the state agency of staffing changes could result in the contractor being removed from the TC listing and possible suspension from bidding on other state projects.

12.10 Collaboration. The State encourages collaboration between contractors to increase the scope of services offered. In cases where the chosen contractor is not able to provide all services needed for the project, the State will expect the chosen contractor to contact other contractors on this list to negotiate subcontracts for these services before going elsewhere. Exceptions to this strategy will be evaluated on a case-by-case basis.

12.11 Subcontractors, Project Budget and Invoicing. All subcontractors to be used in any project must be approved by the authorized entity initiating the project. Project budgets will be negotiated for each individual project contract. However, all rates, terms and conditions set forth in this term contract will be applied to individual contracts. Subcontractor is defined as anyone other than the prime contractor having substantial direct involvement in a specific project.

The State reserves the right to choose the invoicing method from the following:

- Prime contractor's billing will include the subcontractors charges and payment will be made to the prime, or
- Prime and subcontractors will bill the State separately and the State will pay each directly.

13. CONSIDERATION/PAYMENT

13.1 Payment Schedule. In consideration for the services to be provided, the State shall pay according to the negotiated agreement for each project. Hourly rates and miscellaneous charges as provided in Attachment B shall apply.

13.2 Withholding of Payment. The State may withhold payments to the Contractor if the Contractor has not performed in accordance with this contract. Such withholding cannot be greater than the additional costs to the State caused by the lack of performance.

14. CONTRACTOR REGISTRATION

The Contractor will be registered with the Department of Labor and Industry under sections 39-9-201 and 39-9-204, MCA, *prior* to contract execution. The State cannot execute a contract for construction to a Contractor who is not registered. (Mont. Code Ann. § 39-9-401.)

Contractor Registration Number: 149207

15. CONTRACTOR WITHHOLDING

Section 15-50-206, MCA, requires the state agency or department for whom a public works construction contract over \$5,000 is being performed, to withhold 1 percent of all payments and to transmit such monies to the Department of Revenue.

16. MONTANA PREVAILING WAGE REQUIREMENTS

Unless superseded by federal law, Montana law requires that contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of \$25,000 for construction or nonconstruction services in accordance with sections 18-2-401 through 18-2-432, MCA, and all administrative rules adopted pursuant thereto. Unless superseded by federal law, at least 50% of the workers of each contractor engaged in construction services must be performed by bona fide Montana residents. The Commissioner of the Montana Department of Labor and Industry has established the resident requirements in accordance with sections 18-2-403 and 18-2-409, MCA. Any and all questions concerning prevailing wage and Montana resident issues should be directed to the Montana Department of Labor and Industry.

In addition, unless superseded by federal law, all employees working on a public works contract shall be paid prevailing wage rates in accordance with sections 18-2-401 through 18-2-432, MCA, and all administrative rules adopted pursuant thereto. Montana law requires that all public works contracts, as defined in section 18-2-401, MCA, in which the total cost of the contract is in excess of \$25,000, contain a provision stating for each job classification the standard prevailing wage rate, including fringe benefits, travel, per diem, and zone pay that the contractors, subcontractors, and employers shall pay during the public works contract.

Furthermore, section 18-2-406, MCA, requires that all contractors, subcontractors, and employers who are performing work or providing services under a public works contract post in a prominent and accessible site on the project staging area or work area, no later than the first day of work and continuing for the entire duration of the contract, a legible statement of all wages and fringe benefits to be paid to the employees in compliance with section 18-2-423, MCA. Section 18-2-423, MCA, requires that employees receiving an hourly wage must be paid on a weekly basis.

Each contractor, subcontractor, and employer must maintain payroll records in a manner readily capable of being certified for submission under section 18-2-423, MCA, for not less than three years after the contractor's, subcontractor's, or employer's completion of work on the public works contract.

The nature of the work performed or services provided under this contract meets the statutory definition of a "public works contract" under section 18-2-401(11)(a), MCA, and falls under the category of Heavy Construction and Nonconstruction services. The booklets containing Montana's 2003 Rates for Heavy Construction and Nonconstruction Services are attached.

The most current Montana Prevailing Wage Booklet will automatically be incorporated at time of renewal. It is the contractor's responsibility to ensure they are using the most current prevailing wages during performance of its covered work.

17. ACCESS AND RETENTION OF RECORDS

17.1 Access to Records. The Contractor agrees to provide the State, Legislative Auditor or their authorized agents access to any records necessary to determine contract compliance. (Mont. Code Ann. § 18-1-118.)

17.2 Retention Period. The Contractor agrees to create and retain records supporting the environmental services for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this contract taken by the State of Montana or a third party.

18. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The Contractor shall not assign, transfer or subcontract any portion of this contract without the express written consent of the State. (Mont. Code Ann. § 18-4-141.) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

19. HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

20. REQUIRED INSURANCE

20.1 General Requirements. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

20.2 Primary Insurance. The Contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

20.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

20.4 Additional Insured Status. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations; premises owned, leased, occupied, or used.

20.5 Specific Requirements for Automobile Liability. The Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns or subcontractors.

20.6 Additional Insured Status. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by the Contractor.

20.7 Specific Requirements for Professional Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

20.8 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees,

or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

20.9 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, PO Box 200135, Helena MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

21. COMPLIANCE WITH THE WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the State Procurement Bureau, PO Box 200135, Helena MT 59620-0135, upon expiration.

22. COMPLIANCE WITH LAWS

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

23. INTELLECTUAL PROPERTY

All patent and other legal rights in or to inventions created in whole or in part under this contract must be available to the State for royalty-free and nonexclusive licensing. Both parties shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use and authorize others to use, copyrightable property created under this contract.

24. PATENT AND COPYRIGHT PROTECTION

24.1 Third Party Claim. In the event of any claim by any third party against the State that the products furnished under this contract infringe upon or violate any patent or copyright, the State shall promptly notify Contractor. Contractor shall defend such claim, in the State's name or its own name, as appropriate, but at Contractor's expense. Contractor will indemnify the State against all costs, damages and attorney's fees that accrue as a result of such claim. If the State reasonably concludes that its interests are not being properly protected, or if principles of governmental or public law are involved, it may enter any action.

24.2 Product Subject of Claim. If any product furnished is likely to or does become the subject of a claim of infringement of a patent or copyright, then Contractor may, at its option, procure for the State the right to continue using the alleged infringing product, or modify the product so that it becomes non-infringing. If none of the above options can be accomplished, or if the use of such product by the State shall be prevented by injunction, the State will determine if the Contract has been breached.

25. CONTRACT TERMINATION

25.1 Termination for Cause. The State may, by written notice to the Contractor, terminate this contract in whole or in part at any time the Contractor fails to perform this contract.

25.2 Reduction of Funding. The State, at its sole discretion, may terminate or reduce the scope of this contract if available funding is reduced for any reason. (See Mont. Code Ann. § 18-4-313(3).)

26. STATE PERSONNEL

26.1 State Contract Manager. The State Contract Manager identified below is the State's single point of contact and will perform all contract management pursuant to section 2-17-512, MCA, on behalf of the State. Written notices, requests, complaints or any other issues regarding the contract should be directed to the State Contract Manager.

The State Contract Manager for this contract is:

Robert Oliver, Contracts Officer
Room 165 Mitchell Building
125 North Roberts
PO Box 200135
Helena MT 59620-0135
Telephone #: (406) 444-0110
Fax #: (406) 444-2529
E-mail: roliver@mt.gov

26.2 State Project Manager. Each using State agency or Cooperative Purchaser will identify a Project Manager in the project task order. The Project Manager will manage the day-to-day project activities on behalf of the State/Cooperative Purchaser.

27. CONTRACTOR PERSONNEL

27.1 Change Of Staffing. Since qualifications of personnel was key in determining which offerors were selected to be on this term contract list, a written notification to the State Procurement Bureau of any changes of key personnel must be made within two weeks of the change. These change notifications will be completed upon the departure or hiring of key personnel who are professional employees critical to awarded service areas. If these staffing changes cause the firm to no longer meet the qualifications stated herein, that firm will be removed from the service area of this term contract. Failure to notify the State Procurement Bureau of staffing changes could result in the contractor being removed from the term contract listing and possible suspension from bidding on other State projects.

27.2 Contractor Contract Manager. The Contractor Contract Manager identified below will be the single point of contact to the State Contract Manager and will assume responsibility for the coordination of all contract issues under this contract. The Contractor Contract Manager will meet with the State Contract Manager and/or others necessary to resolve any conflicts, disagreements, or other contract issues.

The Contractor Contract Manager for this contract is:

Mark R. Deutschman
10900 73rd Ave N Suite 106
Maple Grove MN 55369-5400
Telephone #: (763) 493-4522
Fax #: (763) 493-5572
E-mail: mdeutschman@houstonengineeringinc.com

27.3 Contractor Project Manager. The Contractor Project Manager identified below will manage the day-to-day project activities on behalf of the Contractor:

The Contractor Project Manager for this contract is:

Mark R. Deutschman
10900 73rd Ave N Suite 106
Maple Grove MN 55369-5400
Telephone #: (763) 493-4522
Fax #: (763) 493-5572
E-mail: mdeutschman@houstonengineeringinc.com

28. MEETINGS

The Contractor is required to meet with the State's personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the contract or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. Meetings will occur as problems arise and will be coordinated by the State. The Contractor will be given a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired. However, at the Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings two consecutive missed or rescheduled meetings, or to make a good faith effort to resolve problems, may result in termination of the contract.

29. CONTRACTOR PERFORMANCE ASSESSMENTS

The State may do assessments of the Contractor's performance. This contract may be terminated for one or more poor performance assessments. Contractors will have the opportunity to respond to poor performance assessments. The State will make any final decision to terminate this contract based on the assessment and any related information, the Contractor's response and the severity of any negative performance assessment. The Contractor will be notified with a justification of contract termination. Performance assessments may be considered in future solicitations.

30. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide for a reasonable period of time after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

31. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Mont. Code Ann. § 18-1-401.)

32. SCOPE, AMENDMENT AND INTERPRETATION

32.1 Contract. This contract consists of 12 numbered pages, any Attachments as required, RFP # SPB05-894P, as amended and the Contractor's RFP response as amended. In the case of dispute or

ambiguity about the minimum levels of performance by the Contractor the order of precedence of document interpretation is in the same order.

32.2 Entire Agreement. These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

33. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

**DEPARTMENT OF ADMINISTRATION
STATE PROCUREMENT BUREAU
PO BOX 200135
HELENA MT 59620-0135**

**HOUSTON ENGINEERING, INC.
10900 – 73RD AVE. N, SUITE 106
MAPLE GROVE, MN 55369-5400
FEDERAL ID # 45-0314557**

BY: _____
Penny Moon, Contracts Officer

BY: _____
(Name/Title)

BY: _____
(Signature)

BY: _____
(Signature)

DATE: _____

DATE: _____

ATTACHMENT A CONTRACTOR'S RESPONSE

Service Area 3.5.4: TMDL Targets

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this**
the project manager and lead technical / coordinator for Service Area 3.5.4, TMDL Targets.

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-1	Rice Lake Diagnostic/Feasibility Study Ward County, North Dakota	Rice Lake Recreational Service District Ken Kitzman, (701) 857-5432	2000
A-3	Turtle Lake Water Quality Impact Evaluation, Northwestern Minnesota	Buffalo-Red River Watershed District Roger Ellefson, Chairman, (218) 354-7710	1999
A-7	Winger Dam Water Quality Monitoring and Modeling, Fertile, Minnesota	Sand Hill River Watershed District Roger Hanson, Chairman, (218) 945-3204	1998
A-16	Cross and Turtle Lakes Hydrologic and Mass Balance, Thief River Falls, Minnesota	Red Lake Watershed District Lowell Enerson, Admin., (218) 681-5800	1998
A-33	Hay Creek Water Quality Improvement Project – Phase IV, Bismarck, ND	City of Bismarck, North Dakota Lisa Ansley, (701) 250-7607	2002
A-41	McDowell Dam TMDL Bismarck, North Dakota	Burleigh County Water Resource District Ken Royse, Chairman, (218) 258-1110	2003

Service Area 3.5.5: TMDL Source Assessment/Delineation

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this**

the project manager and lead technical /
Source

Assessment/Delineation.

coordinator for Service Area 3.5.5, TMDL

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-1	Rice Lake Diagnostic/Feasibility Study Ward County, North Dakota	Rice Lake Recreational Service District Ken Kitzman, (701) 857-5432	2000
A-13	Dalen Coulee Water Management Study Norman and Clay Counties, Minnesota	Wild Rice Watershed District Warren Seykora, Chairman, (218) 784- 5501	2003
A-29	Tyler Coulee Watershed Master Plan Bismarck, North Dakota	City of Bismarck, North Dakota Lisa Ansley, (701) 250-7606	2002
A-33	Hay Creek Water Quality Improvement Project – Phase IV, Bismarck, ND	City of Bismarck, North Dakota Lisa Ansley, (701) 250-7607	2002
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004
A-50	Indian Creek Watershed Assessment Mankato, Minnesota	Blue Earth County Environmental Services & Ken Saffert, (507) 387-8600 City of Mankato, Minnesota Julie Conrad, (507) 389-8381	2004

Service Area 3.5.6: TMDL Load Allocations

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the**

**end of
this proposal.**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this**

the project manager and lead technical /

coordinator for Service Area 3.5.6, TMDL Load

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-1	Rice Lake Diagnostic/Feasibility Study Ward County, North Dakota	Rice Lake Recreational Service District Ken Kitzman, (701) 857-5432	2000
A-3	Turtle Lake Water Quality Impact Evaluation, Northwestern Minnesota	Buffalo-Red River Watershed District Roger Ellefson, Chairman, (218) 354-7710	1999

A-16	Cross and Turtle Lakes Hydrologic and Mass Balance, Thief River Falls, Minnesota	Red Lake Watershed District Lowell Enerson, Admin., (218) 681-5800	1998
A-33	Hay Creek Water Quality Improvement Project – Phase IV, Bismarck, ND	City of Bismarck, North Dakota Lisa Ansley, (701) 250-7607	2002
A-41	McDowell Dam TMDL Bismarck, North Dakota	Burleigh County Water Resource District Ken Royse, Chairman, (218) 258-1110	2003
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004

Service Area 3.5.7: Total Maximum Daily Loads

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the end of this proposal.**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this the project manager and lead technical / coordinator for Service Area 3.5.7, Total Maximum Daily Loads.**

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-1	Rice Lake Diagnostic/Feasibility Study Ward County, North Dakota	Rice Lake Recreational Service District Ken Kitzman, (701) 857-5432	2000
A-3	Turtle Lake Water Quality Impact Evaluation, Northwestern Minnesota	Buffalo-Red River Watershed District Roger Ellefson, Chairman, (218) 354-7710	1999
A-16	Cross and Turtle Lakes Hydrologic and Mass Balance, Thief River Falls, Minnesota	Red Lake Watershed District Lowell Enerson, Admin., (218) 681-5800	1998
A-33	Hay Creek Water Quality Improvement Project – Phase IV, Bismarck, ND	City of Bismarck, North Dakota Lisa Ansley, (701) 250-7607	2002
A-41	McDowell Dam TMDL Bismarck, North Dakota	Burleigh County Water Resource District Ken Royse, Chairman, (218) 258-1110	2003
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004

Service Area 3.5.10: GIS Services

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**

- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the end of this proposal.**

end of

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this manager, and Brian Fischer is identified as the lead technical / coordinator for Service Area 3.5.10, GIS**

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-20	Sandhill River Watershed Plan Fertile, Minnesota	Sandhill River Watershed District Roger Hanson, Chair, (218) 945-3204	1998
A-22	Upper Minnesota River Watershed Plan Western Minnesota (Minnesota River)	Upper Minnesota River Watershed District Diane Rademacher, (320) 839-3411	2000
A-27	Red River Basin Disaster Information Network, Decision Support System Concept Design, Entire Red River Basin	Science Applications Incorporated Mark Vandersluis, (703) 288-5361	2000
A-47	New Rockford Canal GIS Wells and Eddy Counties, North Dakota	Garrison Diversion Conservancy District Kip Kovar, (701) 652-3194 U.S. Bureau of Reclamation Michael Marohl, (701) 250-4242	2004
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004
A-49	Red Lake Watershed District Water Quality Web Application, Northwestern Minnesota	Red Lake Watershed District Corey Hanson, (218) 681-5800	2002

Service Area 3.5.12: Water Quality Modeling

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this the project manager, and Lynn Jarrett is identified as the lead technical / coordinator for Service**

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-9	McDonald Gold Mine Hydrodynamic and Water Quality Modeling Analysis Western Montana near Lincoln	<u>Morrison-Mairele Environmental</u> Clint Erb, (406) 442-3050	1999
A-14	Good Lake Hydrologic and Mass Balance Good Lake, Minnesota	Red Lake Watershed District Lowell Enerson, (218) 681-5800	1998
A-18	James River Time of Travel and Reaeration Study, Eastern North Dakota	North Dakota Department of Health Michael Ell, (701) 328-5412	2001
A-37	Lake Sakakawea Reservoir, Dissolved Oxygen and Cold Water Fish Habitat Modeling, Missouri River, Central ND	North Dakota Department of Health David Glass, (701) 328-5150	2003
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004
A-50	Indian Creek Watershed Assessment Mankato, Minnesota	Blue Earth County Environmental Services & Ken Saffert, (507) 387-8600 City of Mankato, Minnesota Julie Conrad, (507) 389-8381	2004

Service Area 3.5.15: DEQ Electronic Data/Information Technical Assistance

Company Profile and Experience

- General Experience: **See Section 9, Company Profile.**
- Project Experience: **See Project Experience Matrix in this section.**
- Project Descriptions: **See Attachment A, Project Experience Fact Sheets, at the**

Method of Providing Services & Quality Assurance

See Section 10, Project Management Plan.

Staff Qualifications

- Qualifications by Staff Person: **See Table 4.1.4, Project Staff Qualifications, in this section.**
- Specific Staff Experience: **See Attachment B, Employee Resumes, at the end of this manager, and Lynn Jarrett is identified as the lead technical / coordinator for Service Area 3.5.15, DEQ**

Specific Service Area Requirements:

More than 50% of the staff have backgrounds with either natural science degrees and/or in the areas of hydrology, geology, geography, soils science, engineering and land use management. See resumes included in Attachment B at the end of this proposal.

References:

Attach. A Page No.	Project and Location	Client, Contact and Telephone No.	Dates of Service
A-13	Dalen Coulee Water Management Study Norman and Clay Counties, Minnesota	Wild Rice Watershed District Warren Seykora, Chairman, (218) 784-5501	2003
A-25	Systems Approach to Watershed Management, Northwestern Minnesota	Wild Rice Watershed District Warren Seykora, (218) 784-5501	2002
A-27	Red River Basin Disaster Information Network, Decision Support System Concept Design, Entire Red River Basin	Science Applications Incorporated Mark Vandersluis, (703) 288-5361	2000
A-44	MPCA West Fork Des Moines River TMDL Heron Lake, Minnesota	Minnesota Pollution Control Agency Hafiz Munir, (651) 296-9286	2004
A-48	Sun River Decision Support System West-central Montana	Sun River Watershed Council and Cascade Conservation District Allan Rollo, (406) 272-4437	2004

A-50	Indian Creek Watershed Assessment Mankato, Minnesota	Blue Earth County Environmental Services & Ken Saffert, (507) 387-8600 City of Mankato, Minnesota Julie Conrad, (507) 389-8381	2004
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Houston Engineering, Inc.

Houston Engineering is a full-service engineering consulting firm. Founded in 1968, the firm has an established 36-year history of providing exceptional engineering, surveying and environmental consulting services to clients in the private and public sectors.

Since its inception, Houston Engineering has earned a strong reputation for expertise in the areas of water supply, wastewater, water resources management, municipal engineering, transportation engineering, and surveying.

In the late 1970s, the firm emerged as a leader in the development of rural water and large-scale water supply systems through the in-house development of specialized computer software. At the same time, the firm built expertise in watershed management, environmental assessments and remedial action, urban stormwater, flood control, flood insurance studies, hydraulic and hydrodynamic modeling, hydrologic modeling, wetland delineation, environmental review and permitting, water supply and drought planning, and wastewater treatment.

Today, Houston Engineering, Inc. is recognized as a regional leader in water resources management while the firm also focuses on environmental engineering, transportation, industrial and commercial development, residential land development, and municipal engineering. In every area, Houston Engineering makes extensive use of the latest computer technology and survey instrument advances.

Houston Engineering is committed to pairing “big-firm” expertise with “small-firm” service through unsurpassed communications, quality, and customer service. Staff members work closely with clients throughout every phase of project development, to make sure there are no surprises in moving from concept to completion. Quality is ensured by Houston’s talented technical staff. Clients receive detailed construction management services and consistent advice about the ramifications of decisions faced during the development of a technically sound and defensible project.

Customer service is the bottom line in every Houston Engineering project. The firm's long-term client relationships attest to its reputation for fairness, responsiveness and innovative problem-solving.

With offices in North Dakota, Minnesota, and Montana, Houston Engineering is poised to meet the needs of clients throughout the upper Midwest.

Areas of Expertise

- Water Resources
- Environmental
- Water Supply
- Wastewater
- Transportation
- Survey Services
- Land and Site Development

- Waste Management
- GIS and Web Development Services

Project Management Plan

How We Do Business

Houston Engineering, Inc. uses a Project Manager based system for managing projects and ensuring quality, which is described by our Project Management Plan. The purpose of Houston Engineering, Inc.'s Project Management Plan is to ensure to the maximum extent practicable, client satisfaction by delivering a technically defensible product corresponding to and within the fiscal constraints of the client. The primary means for accomplishing this is through effective communication about the tasks that need to be completed (i.e., the "Scope of Services"), the estimated labor and cost for completing the Scope of Services and the schedule for completion. Components of our Project Management Plan include defining project roles, project procedures, Scope of Services, budget and schedule development, fiscal management, ensuring performance and problem solving and resolution.

Project management is initiated within Houston Engineering, Inc. during the proposal stage, by evaluating the client's needs and matching staff most capable of meeting these needs. Key staff are assigned and committed to the project at the proposal stage. These staff include the Principal-in-Charge, the Project Manager, and key technical staff or discipline leads.

Our firm is committed to fiscally managing the project as if the funds were ours. This means each staff member understands the Project Manager's expectations with regard to the level-of-effort needed to complete each task.

Project Roles

The role of ***Dr. Lawrence Woodbury, P.E., Principal-in-Charge and Quality Assurance Representative***, is to provide you with an avenue for communication independent from the Project Manager, in the event that problems arise during project execution. The State of Montana has the responsibility of communicating concerns not effectively resolved by the Houston Engineering, Inc. Project Manager to the Principal-in-Charge.

Dr. Mark Deutschman is the Project Manager for Houston Engineering, Inc. The Project Manager is responsible for the day-to-day execution of the project and communication with you. Dr. Deutschman is responsible for assigning technical tasks to team members, monitoring progress to ensure the schedule is achieved, fiscal management of the project, contractual issues and the primary point of contact for the client as well as the public.

Task Managers are defined within the organizational chart for the project. These individuals provide technical direction to all staff under their supervision, are responsible for monitoring project progress and reporting progress to the Project Manager.

The Organizational Chart provides descriptive roles of the all staff assigned to the project. These staff remain assigned and committed to the project during the entire project execution. The progress of technical staff is monitored daily by the Project Manager for progress.

Project Procedures and Execution

Typically, once our Team is selected, we:

- Obtain verbal and written descriptions of the specific technical tasks needing completion from the Client. Some clarification of issues presented in the Request for Proposal is often needed before a formal Scope of Services can be completed.
- Develop a detailed Scope of Services, which describes the technical approach and tasks. We prefer to present as much detail as possible, thereby reducing the likelihood of future misunderstandings. By describing

the detail a link is created between the technical approach and estimated cost of providing you with the product. We like to answer the question "How much detail is needed to obtain a technically defensible answer?" at this stage and thoroughly discuss this with you.

- Provide you with a detailed (hours, labor dollars and expenses) budget by task and staff person.
- Develop a Microsoft Project schedule for each of these tasks, which incorporates review periods to ensure accuracy for the completion date.
- Complete a kick-off meeting with your key staff to review the Scope of Services, schedules and estimated budget. This provides the opportunity to review the relationship between the technical approach, level of detail and cost and ensure the anticipated product is what is needed by you.
- Prepare a "Project Procedures Manual" for distribution to all project participants. The manual describes the tasks to be completed, fiscal issues; responsibilities and communications for all project participants include those of the watershed district.

Initiation of the technical tasks begins only after these steps are completed, thereby avoiding "false starts" and increased costs. We maintain formal communication procedures; i.e., written summaries of all communication are placed in the project file. We do anticipate communication with you on an as needed basis, daily if necessary.

Fiscal Management

Fiscal management is achieved through the use of strict accounting procedures. ***The Project Manager receives cost to date information every two weeks, including the hours and dollars charges to the project by all staff.*** This is the primary tool for tracking project costs by the Project Manager.

Invoices are prepared and submitted in accordance with a mutually agreeable schedule (usually monthly) and always accompanied with a summary of the tasks completed, the budget and cost-to-date, and issues or action items needed completion or resolution in the next month.

Ensuring Performance

Performance is ensured through a variety of methods. Foremost is ***through effective communication with the State of Montana to understand your needs.*** Second, is through internal procedures. For example, all work products and deliverables are subject to an internal quality control review prior to delivery to you. Third, for controversial issues and topics, independent quality control review is sometimes used. A recognized "expert" is retained to review technical documents prior to delivery to the client.

Problem Solving and Resolution

Problems periodically arise during project execution. ***Dr. Mark Deutschman, the Project Manager, is the primary person responsible for the resolution of technical, procedural or contractual problems.*** He is responsible for communicating these problems to the Principal-in-Charge. The Principal-in-Charge provides and independent avenue for the State of Montana to resolve problems in the event they are not satisfactorily resolved by the Project Manager.

Montana Liaison

Mr. Kent Heidt within our Billings, MT office, has been assigned as the local liaison for the execution of this project. His role is as an avenue for immediate communication access to Houston Engineering, Inc.

ATTACHMENT B
PRICE SHEET